

55-2810

SEP 28 1955

Mr. Roger W. Jones
Assistant Director
for Legislative Reference
Bureau of the Budget
Washington 25, D.C.

Dear Mr. Jones:

| | |
|---------------------------------------|--------------------------|
| Document No. | 5 |
| No Change In Class. | <input type="checkbox"/> |
| <input type="checkbox"/> Declassified | |
| Class. Changed To: | TS S G |
| Auth: | HR 70-2 |
| Date: | |
| By: | |

This is to acknowledge receipt of your referral of 26 July 1955 of a proposed bill to amend Section 921 of the Foreign Service Act of 1946 relating to commissary and mess services.

It appears to this Agency that it would be preferable to extend the authorities contained in this proposal to the heads of all Government agencies which are faced with this problem under such regulations as the President or the Secretary of State may prescribe. This would be analogous to the authority to issue regulations for Government-wide allowances under Section 901 of the Foreign Service Act of 1946. The problem which CIA faces is not the utilization of commissary or mess services established by the Department of State for employees of the Foreign Service which can then be used by employees of other Government agencies, but rather the establishment of such facilities in those places where they would not be warranted for the Foreign Service.

Appropriate language in the proposed bill should eliminate the problem of facilities in territories and possessions as distinguished from foreign areas generally. This problem is of particular interest in the Far East, where American employees on Okinawa are entitled to certain benefits available to employees in foreign areas, whereas employees in the islands of the Trust Territories do not receive such benefits because the islands are territories of the United States. Because living conditions in some territories and possessions are more difficult and the cost of living higher than in many foreign countries, it is felt that these benefits should be extended alike to foreign areas and the territories and possessions.

If the State Department proposals were to be broadened, the following suggestions would appear to be worth considering:

1. The use of the term "commissary" should be adequately defined. Under the military services, the term carries a much more restrictive definition than is currently the case in the Foreign Service where a commissary contains much broader facilities than are usual in the military commissary.

2. It is felt that the State Department proposals do not provide clearly for the disposition of profits of employee-run commissaries or mess services. It is our understanding that the last sentence of the proposal is designed to refer only to Government-operated commissaries or mess services and that the profits from such services when operated by the employees may be disposed of as they elect. We feel that this should be made clear in the proposed legislation.

3. The proposed amendment provides that space, facilities, material, stocks, supplies, and equipment or services may be made available to employee-operated commissaries or mess services. It is our understanding that the intent of this provision is to allow the Department to obtain such things through official channels when it may be easier than going through private channels. However, it does not appear to be clear whether such facilities will be available free of charge or through advancement of funds by the Department, or whether it simply provides a better channel to secure such facilities although they are paid for by the employee-operated commissary or mess.

4. In view of the fact that the existence of employee-operated services will reduce Government expenditures and improve employee morale, it is recommended that consideration be given to broadening this proposed legislation to authorize advances of Government funds for the purpose of establishing such facilities with reimbursement to appropriations for the advances.

5. It is our understanding that at the present time the State Department allows the use of available space free of charge for employee run facilities, whereas if additional space must be rented the activity pays for it from its own funds. It would appear preferable if this procedure were confirmed by statute or a new procedure delineated in the proposed bill.

CIA would consider it helpful if legislation were enacted which could include the above suggestions. However, it interposes no

objections to the State Department proposals in and of themselves,
although they would be of limited application to this Agency.

Sincerely yours,

Walter L. Pforzheimer
Legislative Counsel

CONCUR:

Signed

~~Deputy Director/Support~~

[Redacted]

Comptroller

Signed

Special Support Assistant
to the Deputy Director/
Support

Signed

General Counsel

OGC:WLP:pmm (26Sept55)

Org & 1 - Addressee

✓ 2 - Signer

✓ 1 - DDS

1 - Comptroller

[Redacted]